



COMUNIDAR

MAPPING OF TRANSNATIONAL INVESTMENT OPPORTUNITIES: U.S.A. AND NUEVO LEÓN

POTENTIAL INVESTMENT FOR THE SOCIAL DEVELOPMENT OF THE STATE OF NUEVO LEÓN

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Summary

This project, *Mapping transnational investment opportunities: U.S.A. and Nuevo León*, arose from the need to identify potential investors who could focus their resources on the development of Nuevo León. It is part of a much broader project called Building Broader Communities across the Americas (BBCA), in which at least 14 community foundations participated. The first group that we decided to give focus on with our mapping study was what are referred to here as the “golden migrants,” or those that decided to emigrate because of high levels of insecurity (violence and kidnapping) in their home state, in particular during 2009 to 2011. These were people with a certain level of education and who sought to continue their lives in the United States.

This group was made up, in large part, of business owners and their families. During the research process, broader opportunities then opened up for mapping, which we present in this report. The methodology used in this research was qualitative, with the objective to ensure that the reconstruction of the migration paradigm begins with the migrant her- or himself.

Key terms: Mexican migrants, golden migration, migrant networks, place of origin, philanthropy, community development.

INTRODUCTION

Ever since the new borders between Mexico and the United States were established with the Treaty of Guadalupe Hidalgo in 1848, the border relations have been a priority on the

agenda of both countries, along with the economic, social, cultural, environmental, and - naturally - the political impact that it presents. Nevertheless, although these relations have experienced ups and downs, the topic of migration of Mexicans to the U.S. has become a point of increasing agitation between the two countries from the Obama administration (2009-2017) through the present Trump administration (2017-).

Remittances sent by Mexicans to their hometowns also represent the second largest source of foreign currency in the country, just after petroleum and ahead of tourism, according to the Bank of Mexico (2016). It is equivalent to ca. 2% of the GNP of Mexico and, in rural areas, as much as 20% of income to the regions. This is far above any other source of financing, and even more significant than government subsidies such as PROSPERA and PROCAMPO. Sixty-five percent of those receiving remittances are women, meaning for the family and covering basic expenses. This is evident in that 37% of these funds are spent on the household, while only 1% goes toward starting a business (Bank of Mexico, 2016).

All of this provides insight as to the economic, social and cultural importance of migration in both places: that of the receiving country as well as the sending country. However, the contributions of emigrants to the development of their places of origin is not sufficiently coordinated or structured, let alone recognized. The stereotype of the migrant today is as a delinquent or a terrorist, one that represents danger for the host or transit country, and one that poses a threat to local order and to resource distribution for native citizens, thus resulting in violent movements against those who immigrate.

This project, *Mapping transnational investment opportunities: U.S.A. and Nuevo León*, analyzes a different type of migration that has been studied very little: the “golden migration” of 2009 - 2011. This migration was specifically by residents of Monterrey who felt the need to escape the insecurities that arose during this period in the state of Nuevo León. This does not limit this project to that particular group; it is simply a type of migration that has not been analyzed very deeply.

We are referring to a migrant that has accumulated knowledge through experience and educational training, and/or has stable economic and financial resources (Durán, 2010, cited by Martínez & San Juana). This is the one that we want to explore, so that he or she contributes in some way to the development and wellness of his or her own country and, specifically, to the home state. In this way, strengthening the sense of identity and belonging between the emigrant and the community of origin, and thereby changing the current paradigm. The methodology for this work is constructivist and participatory, ensuring that the reconstruction of the paradigm of the migrant comes from the person her- or himself.

The project *Mapping transnational investment opportunities: U.S.A. and Nuevo León* has two objectives:

1) to identify potential social impact investors in the U.S. that originate from Nuevo León and

2) to reconstruct the social ties in order to create a mechanism of retention and that brings a halt to the violence against and between migrants.

This project seeks to change the dominant paradigm about migration and the related government programs, which are not obtaining the expected results. On the contrary, they generate grave human rights violations and cause social instability, social resentment and, in the end, higher risks for local, national and international security. The idea is to position the migrant at the center of the model of local development and to place a value on intellectual, productive, financial, cultural and social contributions that migrants have in every country.

METHODOLOGY

Based on the two objectives mentioned above, we chose a mixed-methods approach to research. On the one hand, we consulted official databases about the social-demographic and economic profile of Mexican migrants and those from Nuevo León (gender, place of birth, migration destination, education level, socioeconomic status, and occupation). We then conducted a mapping activity of migrant networks on the Internet, which became the starting point to define a strategy of fieldwork that included visits to three municipalities in Nuevo León and three cities in the United States. The selection of the places were defined based on official migration data from the National Institute for Statistics and Geography (INEGI in Spanish) and the National Institute of Migration. Thus we learned that, although the emigration from Nuevo León only represents 1% of the total emigration from the country (INEGI, 2010), the municipalities with the highest rates are Hualahuises (16%), Los Ramones (26%) and Mier y Noriega (11%). On the other hand, the state in the U.S. with the highest immigration rates from this area is, above all, in Texas (Houston and San Antonio). Areas that receive the most immigrants in general are California, Chicago (Illinois), Atlanta (Georgia), Kentucky, Florida and New York.

The methodology includes qualitative methods of research, including interviews and focus groups. All of the demographic information was retrieved through official sources that already exist, such as The Survey of the U.S. Community, CONAPO, INEGI, the Migration Policy Institute (Washington D.C.), the National Institute for Migration (Mexico), and the Department of the Economy and Social Issues at the United Nations, among others. In addition, we reviewed studies that have been done about Nuevo León and about Mexican migration to the U.S.

All of the above has provided a clear description of the two profiles of migrants in this study and a network of potential social investors for local development in the state of Nuevo León.

Mapping of stakeholders

To identify the primary stakeholders involved in community development in Nuevo León and that have high levels of emigration, we conducted an analysis based on García and

Justicia's (2012) work for social project management. **Figure 1** shows the stakeholders divided into three levels: the first level, in green, represents stakeholders that are closest to social reality, that is to say, those present in the state of Nuevo León and the municipalities of this research. The second level, in blue, represents those stakeholders at a national level, including national government agencies, as well as private entities and nonprofits whose work is not necessarily limited to the state. On the outer level, in purple, are those stakeholders that are international, whether due to the topics that they address or information that they are available and relevant to this analysis and for community development in Nuevo León.

The stakeholder map is also divided into three basic sections: the State, meaning public institutions and agencies on its three levels (municipal, state and federal); businesses, academic institutions and other stakeholders from the private sector; and members of civil society, organized and informal. Consequently, this map is meant to be a dynamic tool that positions stakeholders according to their proximity to social reality and who potentially function as one stakeholder. For example, the University of Texas is considered as both part of civil society, with its faculty and student population, and part of the private sector, thus crossing two sections.

Figure 1. Map of stakeholders (in Spanish)



Source: author of this study

Conclusions from benchmarking

Then, through benchmarking analysis, we have also presented a sample of international and bi-national (United States and Mexico) projects that are available about migrant communities and their places of origin. In this way, we have presented a number of initiatives that could serve as models for implementing projects with communities from Nuevo León, both outside and within Mexican territory.

There are a number of stakeholders in these studies that could be contacted, in order to share projects and goals, for example, the Federation of United Zacatecan Clubs, the Community Foundation of Bajío and Go Global NC, all of which focus on the Latino or Mexican populations, present relevant initiatives for development, not only for those who are emigrating but for the communities that stay behind as well.

This work has allowed us to identify stakeholders who could potentially be involved in projects directly, such as the Network of Mexican Entrepreneurs in San Antonio. Concerning the substance of analysis, it is important to focus on the sustainability of development, which implies turning remittances into investment. In order to achieve this, it is vital to create a more horizontal network of stakeholders, including nonprofits in the United States and Mexico and political stakeholders of both countries. It's necessary to stimulate actions on both sides of the border to lead to more opportunities and deeper integration for Mexicans and, eventually, community development in Nuevo León.

Finally, this benchmarking study highlights the primary areas in which the nonprofit organizations direct their projects, which are in education, network building and entrepreneurship. For this reason it is important to consider a more plural (horizontal) agenda, with clear and sustainable objectives that involve and connect a larger number of stakeholders.

Ideas for projects in rural Nuevo León

Based on our results, we feel it is necessary to promote projects that work toward satisfying basic needs of the population while at the same time integrating sustainable community entrepreneurship that strengthens each place and contributes to the retention of the population, as well as creating a common identity.

The following is a list of needs ideas for action:

- Generate mechanisms for local retention
- Establish economic cooperation structures

- Create community savings and loan opportunities
- Map out emigrants who live in the U.S.
- Stimulate eco-tourism (there are municipalities that have models)
- Decentralize university activities and operations to rural municipalities
- Promote organic farming
- Incorporate civics classes and community service into the schools
- Through schools, promote adult-adolescent mentorships
- Develop, unite and rejuvenate mobile libraries
- Promote cultural infrastructure
- Foster the sister city concept with the U.S. for academic and economic exchanges
- Support capacity-building and legal structure of nonprofits
- Develop mechanisms for support (administrative, financial, marketing, accounting, etc.)
- Promote diaspora bonds
- Support the commercialization and “visibility” to alleviate the high costs due to distance, reducing intermediaries
- Create campaigns in cities to bring attention to rural areas of the state
- Coordinate projects together with the areas of corporate social responsibility with companies in Nuevo León, to avoid the duplication of efforts and increase impact levels
- Implement and provide information about the 3x1 program in some areas

Ideas for projects in the U.S.

Deportation of immigrants raises questions on reintegration into home communities, and governments are limited in their capacity to divulge information about its various programs such as 3x1. For this reason, we suggest the following projects for social impact investing:

- Create/organize workshops and a list of concrete projects
- Organize programs that can integrate donors
- Formalize rural organizations and cooperatives in order to more effectively collaborate with entities in the U.S.
- Generate trust and incentives for potential donors
- Create a marketing strategy with positive information
- Deepen relationships with other foundations, to create a bi-national structure
- Promote the physical presence of Comunitar in the U.S.
- Consolidate alumni associations at universities
- Promote a culture of philanthropy
- Establish giving circles of retired residents from the U.S. in rural areas of Nuevo León
- Develop programs for retirees that return to their hometowns from abroad
- Establish programs to help with reintegration for Mexicans returning to their hometowns
- Promote government programs such as 3x1

- Organize internships for students of the University of Texas in local communities of Nuevo León

Primary stakeholders who can develop these projects are:

- **Communities in the place of origin:** for identifying needs, creating awareness, generating information, elaborating and implementing projects
- **Foundations** (including the gurus of the technology sector): information, transfers of funds, training and awareness, philanthropic culture, tax deductibility, project development, etc.)
- **Alumni associations:** can be connected with entrepreneurial projects to give them visibility and opportunities for business, or contributing to corporate social responsibility projects in Nuevo León
- **Mexican business associations and U.S. Hispanic chambers of commerce:** can assist with contacts for funding, such as NadBank
- **Universities:** especially for the elaboration of concrete projects
- **Hispanic communication media:** for promoting the image and visibility of projects
- **Nonprofits in the U.S.:** such as Engineers without Borders (intervention in Dr. Arroyo)
- **Community organizations:** for dissemination of knowledge around projects for funding (with space and an important number of people to assist)
- **Churches:** above all for those who are experiencing hardships

Recommendations for sustainable migration

Send a representative of COMUNIDAR to the U.S. in order to:

- 1) Develop a concrete “menu of projects” that favor development and the retention of people in the state
- 2) Define a promotional strategy

This research study offers COMUNIDAR the possibility to position Nuevo León as a pioneer of transnational community development.

Model of Engagement

An additional stage is required of this project in order to test a potential model for engagement for social impact investment from the United States to Mexico. The first goal is to develop trust, and this is why it is essential to have a branch of Comunidar in Texas, in order to learn about and capture the interest of potential donors.

The ideal city to initiate this project is **Houston**, for the following reasons:

- Its geographical proximity to Monterrey and the ease of movement
- The key stakeholders are there: the (Mexican) consulate, hometown associations of Linares and the rural area of Nuevo León, Exatecs, a community foundation, entire neighborhoods of people from Nuevo León, and businesses with interest in Monterrey
- All of those group demonstrated interest in this project

For the design of the model, we suggest the following characteristics:

- A list of projects to present to potential donors, based on the primary social needs that have been detected in Nuevo León
- A visibility strategy for Fundación Comunidar in the U.S.
- Technological platforms that ease, give visibility to and make donations transparent - according to the cause, the project, the donor and form of pay
- Tax-deductible receipts
- Creation of strategic alliances in order to bring the projects to reality
- Mechanisms for community organization
- Mechanisms for philanthropic participation, according to the profile of the emigrant or donor